

**Department of Mental Health
FY '04 Budget – Truly Agreed to and Finally Passed
Impact of Community Programs Reduction**

Division of ADA	\$ 4,472,890
Division of CPS	3,412,372
Division of MR/DD	<u>4,695,566</u>
Total	\$12,580,828

Division of Alcohol & Drug Abuse

- Substance abuse treatment for non-Medicaid individuals will be unavailable to 3,881 Missourians currently served in Division of Alcohol and Drug Abuse programs. As a result, up to 20% of treatment programs within the ADA system will be seriously impacted. This will not only result in unemployment in areas that host ADA programs, but also increased cost to the community and the State of not treating citizens addicted to alcohol and other drugs. National studies have clearly demonstrated that every dollar spent on substance abuse treatment saves taxpayers seven dollars in other costs--unnecessary emergency room visits and hospitalization; increased crime and incarceration; more drunk driving accidents; and higher incidence of drug-exposed infants, with both immediate costs (neonatal intensive care, for example) and ultimate costs (care for developmental disabilities, autism, learning disabilities, and mental illness, to name a few).
- This general revenue reduction will result in a reduction in the Division's block grant in state FY 2005. \$4,472,890 will be lost in Federal dollars impacting 3,362 substance abuse treatment clients and another 76,352 Missourians through prevention efforts. Total dollars lost are \$8,945,780. A total of 7,243 clients will not receive treatment. In addition, 4 staff will be laid off. The bottom line is that substance abuse treatment does not cost taxpayer dollars; it saves them.

Division of Comprehensive Psychiatric Services

The loss of non-Medicaid related funding will devastate the lives of thousands of seriously mentally ill individuals across the state, will severely disrupt service delivery systems, and shift the burden of care and oversight in many cases to other welfare agencies, law enforcement agencies, and corrections.

The state will lose a total of \$6,824,744 in funds to provide treatment and residential services for seriously mental ill (SMI) adults and serious emotionally disordered (SED) children. These funds are made up of \$3,412,372 of general revenue funds and \$3,412,372 of federal mental health block grant funds and affect both adult and child programs.

	<u>Administration</u>	<u>Children</u>	<u>Adults</u>	<u>Total</u>
General Revenue Reduction		\$ 983,372	\$ 2,429,000	\$ 3,412,372
Block Grant Loss – Federal (FY '05)	<u>\$170,619**</u>	<u>\$ 341,237</u>	<u>\$ 2,900,516</u>	<u>\$ 3,412,372</u>
Total Reduction	\$170,619	\$ 1,324,609	\$ 5,329,516	\$ 6,824,744

Staff Impact-Federal: 2.5 FTE

Treatment Client Impact:

Federal (FY '05)	232	2,594	2,826
General Revenue	<u>669</u>	<u>2,173</u>	<u>2,842</u>
Total Clients	901	4,767	5,668

**Includes Fringe of \$66,541

This reduction would have the following impact:

- An additional reduction in FY'05 of 2.5 administrative staff due to the loss of Mental Health Block Grant funds. This represents a reduction of 27% of Federal Personal Service funds and will disrupt the Division's ability to properly guide, direct and monitor community and inpatient programs and funding. Responsiveness to clients and their families, community providers and other state agencies will be slowed.
- Seriously jeopardize the balance of inpatient and community-based services available. These reductions would eliminate 7% of all program specific funding (including Block Grant) available in Adult Community Programs (ACP) and, 6% of all program specific funding (including Block Grant) available in Youth Community Programs (YCP).

**Department of Mental Health
FY '04 Budget
Impact of Community Programs - Conference Committee Action**

Division of Comprehensive Psychiatric Services (continued)

- ə Further, it represents a reduction in funding for non-Medicaid eligible services of 14% for adults with severe mental illness and 11% for children with serious emotional disorder. Non-Medicaid services support individuals who, if not otherwise treated, are at high risk of harming themselves or others and/or requiring inpatient care and treatment. Additionally, housing and housing supports (non-Medicaid eligible services) which are also paid with these funds, allow the Division to successfully divert CPR (Medicaid) clients from more expensive inpatient settings.
- ə The loss of Federal Block Grant funds may be waived by the Secretary of the Center for Medicaid and Medicare Services if expenditures reported for maintenance of effort requirements are reduced by no more than 3%.

Division of Mental Retardation and Developmental Disabilities

- The Division of Mental Retardation and Developmental Disabilities would lose \$4,695,566 in statewide community services and supports for non-Medicaid Waiver consumers. Approximately 5,800 disabled Missourians receiving Purchase of Services, Autism Services, and Choices for Families (Voucher) would be affected in that their level of services would be reduced or eliminated.
- Community services and supports such as respite care, day habilitation, personal care attendants, therapies, specialized services for autism, and other supports, would be reduced or eliminated.
- As a result of these reductions, many families would no longer be able to keep their family member with a developmental disability at home. This may result in an increased burden on habilitation center census, as well as inappropriate institutionalization for many consumers.